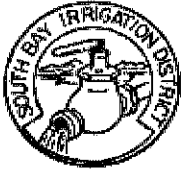


South Bay Irrigation District Board Meeting - September 12, 2018

1. Agenda Packet

Documents:

[180912 AGENDA PACKET.PDF](#)



SOUTH BAY IRRIGATION DISTRICT
505 GARRETT AVENUE, POST OFFICE BOX 2328
CHULA VISTA, CALIFORNIA 91912-2328
(619) 420-1413 FAX (619) 425-7469
<http://www.sbid.us>

BOARD OF DIRECTORS
STEVE CASTANEDA
DIVISION 1
JOSÉ F. CERDA
DIVISION 2
JOSE PRECIADO
DIVISION 3
TERESA "TERRY" THOMAS
DIVISION 4
JOSIE CALDERON-SCOTT
DIVISION 6

AGENDA
REGULAR MEETING
OF THE BOARD OF DIRECTORS
WEDNESDAY, SEPTEMBER 12, 2018 – 5:00 P.M.

- **CALL MEETING TO ORDER AND ROLL CALL**
- **PLEDGE OF ALLEGIANCE TO THE FLAG**
Director Calderon-Scott
- **PUBLIC COMMENT**
Opportunity for Members of the Public to Address the Board. (Government Code Section 54954.3)
- **PRESIDENT'S PRESENTATION**

ACTION AGENDA

The following items on the Action Agenda call for discussion and action by the Board. All items are placed on the Agenda so that the Board may discuss and take action on the item if the Board is so inclined, including items listed for information.

1. **ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED ON THE AGENDA**
(Government Code Section 54956.5)
2. **APPROVAL OF MINUTES** - Regular Meeting of August 8, 2018
3. **APPROVAL OF DEMANDS AND WARRANTS**
4. **OLD AND UNFINISHED BUSINESS**
Consideration to Approve Transfer and Reimbursement Agreement between Sweetwater Authority and South Bay Irrigation District

REPORTS AND INFORMATIONAL ITEMS

The following Agenda items are reports and information. These are placed on the Agenda to allow the persons designated to provide information on the Agenda item to the Board and the Public. There is no action called for in these items. The Board may engage in discussion on any report upon which specific subject matter is identified on the Agenda, but may not take any action other than to place the matter on a future Agenda.

5. **JULY 2018 FINANCIAL REPORTS**
6. **REPORTS BY DIRECTORS ON EVENTS ATTENDED**
Reports and discussion relating to events attended by the Directors
7. **REPORT OF LAFCO SPECIAL DISTRICTS ADVISORY COMMITTEE MEMBER**
Director Thomas

8. REPORT OF MANAGEMENT

9. REPORT OF LEGAL COUNSEL

10. DIRECTORS' COMMENTS

Directors' comments are comments by Directors concerning District business that may be of interest to the Board. Directors' comments are placed on the agenda to enable individual Board members to convey information to the Board and the Public. There is to be no discussion or action taken on comments made by Board members.

11. CLOSED SESSION

At any time during the regular session, the Governing Board may adjourn to closed session to consider litigation, personnel matters, or to discuss with legal counsel matters within the attorney-client privilege. Discussion of litigation is within the attorney-client privilege, subject to the appropriate disclosures and may be held in closed session. Government Code Section 54956.9.

12. ADJOURNMENT

This agenda was posted at least seventy-two (72) hours before the meeting in a location freely accessible to the Public on the exterior bulletin board at the main entrance to the Authority's office and it is also posted on the Authority's website at www.sweetwater.org. No action may be taken on any item not appearing on the posted agenda, except as provided by California Government Code Section 54954.2. Any writings or documents provided to a majority of the members of the Sweetwater Authority Governing Board regarding any item on this agenda will be made available for public inspection at the Authority Administration Office, located at 505 Garrett Avenue, Chula Vista, CA 91910, during normal business hours. Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the Board Secretary at (619) 409-6703 at least forty-eight (48) hours before the meeting, if possible.

To e-subscribe to receive meeting agendas and other pertinent information, please visit www.sweetwater.org.

PUBLIC COMMENT PROCEDURES

Members of the general public may address the Board regarding items not appearing on the posted agenda, which are within the subject matter jurisdiction of the Governing Board. Speakers are asked to state name, address, and topic, and to observe a time limit of three (3) minutes each. Public comment on a single topic is limited to twenty (20) minutes. Anyone desiring to address the Governing Board regarding an item listed on the agenda is asked to fill out a speaker's slip and present it to the Board Chair or the Secretary. Request to Speak forms are available at the Speaker's podium and at www.sweetwater.org/speakerform.

**SOUTH BAY IRRIGATION DISTRICT
MINUTES OF THE REGULAR MEETING**

August 8, 2018

The Board of Directors of South Bay Irrigation District held a Regular meeting on Wednesday, August 8, 2018, at the Sweetwater Authority Administrative Office, 505 Garrett Avenue, Chula Vista, California. President Preciado called the meeting to order at 5:00 p.m.

- **ROLL CALL**

Directors Present: Josie Calderon-Scott, José F. Cerda, Jose Preciado, and Terry Thomas

Directors Absent: Steve Castaneda

Others Present: General Manager Tish Berge, Assistant General Manager Jennifer Sabine, Legal Counsel Paula de Sousa Mills, and Board Secretary Janet Gonzalez. Staff members: Administrative Assistant Ligia Perez and Director of Finance Rich Stevenson. Others present: Jerry Thomas.

- **PLEDGE OF ALLEGIANCE TO THE FLAG**

Director Thomas conducted the pledge of allegiance to the flag.

- **OPPORTUNITY FOR PUBLIC COMMENT (Government Code Section 54954.3)**

Jerry Thomas spoke against Director Cerda's conduct.

- **PRESIDENT'S PRESENTATION**

There was none.

ACTION CALENDAR ITEMS

1. **ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED ON THE AGENDA**

There was none.

2. **APPROVAL OF MINUTES**

Jerry Thomas requested edits to the minutes.

Director Thomas requested that Mr. Thomas' comment under Agenda Item 5. be amended to read, "spoke against appointing a Director to the San Diego County Water Authority before the November election."

President Preciado made a motion, seconded by Director Thomas, that the Board accept the amendment requested by Director Thomas and approve the minutes of the July 11, 2018 Regular meeting. The motion carried unanimously, with Director Castaneda absent.

3. APPROVAL OF DEMANDS AND WARRANTS

Director Calderon-Scott made a motion, seconded by President Preciado, that the Board approve warrants 11625 through 11632. The motion carried unanimously, with Director Castaneda absent.

REPORTS AND INFORMATIONAL ITEMS

4. OLD AND UNFINISHED BUSINESS

Consideration to Approve Draft Fund Transfer and Reimbursement Agreement between Sweetwater Authority and South Bay Irrigation District

Jerry Thomas spoke against the item.

President Preciado made a motion, seconded by Director Cerda, that the Board accept the concept of the Draft Fund Transfer and Reimbursement Agreement between Sweetwater Authority and South Bay Irrigation District and have the agreement presented to Sweetwater Authority for further examination. The motion carried, with Director Thomas abstaining, and Director Castaneda absent.

5. JUNE 2018 FINANCIAL REPORTS

The reports were provided for information only.

6. REPORTS BY DIRECTORS ON EVENTS ATTENDED

There were none.

7. REPORT OF MANAGEMENT

There was none.

8. REPORT OF LEGAL COUNSEL

There was none.

9. DIRECTORS' COMMENTS

Director Thomas commented on the selection of the Chair and Vice Chair of LAFCO; and an article in the newspaper on the reorganization of fire districts.

Director Calderon-Scott commented on the news about cyber threats to water, energy, and transportation and requested a presentation on this topic.

10. CLOSED SESSION

There was none.

11. ADJOURNMENT

With no further business before the Board, President Preciado adjourned the meeting at 5:39 p.m.

Jose Preciado, President

Attest:

Janet Gonzalez, Board Secretary

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South Bay Irrigation District

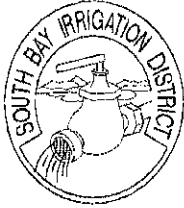
Warrants

July 2018

Warrant Number	Date	Amount	Payable	Description
11633	7/31/2018	18.64	AT&T Calnet 3	Telephone Charges for July 2018
11634	7/31/2018	2.29	County of San Diego	LAFCO Cost for FY2018-19
11635	7/31/2018	95.35	Steven Castaneda	Director's fee for SBID board meeting and mileage reimbursement
11636	7/31/2018	340.00	Sweetwater Authority	Administrative Services for July 2018
11637	7/31/2018	92.35	Jose F. Cerda	Director's fee for SBID board meeting
11638	7/31/2018	92.35	Jose Preciado	Director's fee for SBID board meeting
11639	7/31/2018	95.24	Josephine L. Calderon-Scott	Director's fee for SBID board meeting and mileage reimbursement
11640	7/31/2018	92.35	Teresa Thomas	Director's fee for SBID board meeting

828.57

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BOARD ACTION

TO: Board of Directors
FROM: Management
DATE: September 7, 2018
SUBJECT: Consideration to Approve Transfer and Reimbursement Agreement between Sweetwater Authority and South Bay Irrigation District

SUMMARY

At its August 8, 2018 South Bay Irrigation District (District) meeting, the Board of Directors approved the draft agreement as presented. Subsequently, at the August 22, 2018 Sweetwater Authority (Authority) meeting, the Authority's Governing Board approved the draft agreement as presented. Both parties reviewed the agreement and had no changes; staff now presents the final agreement for approval. As discussed previously, the agreement provides a public purpose and benefit for both agencies' ongoing operations.

Next Steps

If the final agreement is approved by the Board of Directors, the Authority's Governing Board will consider approval of the final agreement at its September 26 meeting. Upon approval of the final agreement by both parties, Authority staff will take the administrative action to execute the requirements as stated in the agreement.

ALTERNATIVES

1. Approve the final Fund Transfer and Reimbursement Agreement between Sweetwater Authority and South Bay Irrigation District.
2. Defer approval of the final Fund Transfer and Reimbursement Agreement between Sweetwater Authority and South Bay Irrigation District to a subsequent Board meeting, and provide staff with further comments.
3. Not approve the final Fund Transfer and Reimbursement Agreement between Sweetwater Authority and South Bay Irrigation District.

RECOMMENDATION

Staff seeks the direction of the Board of Directors.

Attachment: Fund Transfer and Reimbursement Agreement between Sweetwater Authority and South Bay Irrigation District

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**FUND TRANSFER AND REIMBURSEMENT AGREEMENT
BETWEEN THE SWEETWATER AUTHORITY
AND SOUTH BAY IRRIGATION DISTRICT**

This Fund Transfer and Reimbursement Agreement (this "**Agreement**") is dated as of _____, 2018 ("**Effective Date**"), by and between the Sweetwater Authority, a California joint powers agency ("**Authority**"), and the South Bay Irrigation District, a California irrigation district ("**District**"). The Authority and the District may each be referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

A. The Authority is a joint powers agency existing and operating pursuant to that certain Joint Powers Agreement of 1972, as Amended and Readopted in 1977, between the District and the City of National City ("**City**") Creating the Sweetwater Authority ("**JPA Agreement**").

B. Under the JPA Agreement, the Authority has certain powers common to the District and the City, and is authorized, in its own name, to do all acts necessary, convenient or appropriate for the exercise of such common powers.

C. As a joint powers agency, the Authority relies on the existence of both its member agencies, the District and the City. Therefore, the Authority has a strong interest in the ongoing existence and financial stability of the District, which has limited revenue sources available to it.

D. For these reasons, the Parties desire for the District to transfer the majority of its existing funds to the Authority for the Authority's use and, in exchange, for the Authority to reimburse the District for its operating expenses on a continuing basis.

E. The Parties desire to enter into this Agreement to set forth the terms and conditions of such transfer of funds and ongoing reimbursement, and for related purposes.

NOW, THEREFORE, in consideration of the mutual promises set forth herein, the Parties agree as follows:

AGREEMENT

1. Term of Agreement. This Agreement shall begin on the Effective Date and shall remain in effect until terminated pursuant to the provisions of Section 7 of this Agreement ("**Term**").

2. One-time Transfer of Funds by District to Authority. Within thirty (30) calendar days of the Effective Date, the District shall transfer to the Authority the entirety of the District's current accounts and reserves; provided, however, that at the

time of the transfer the District shall retain \$100,000 in its accounts or reserves. The Authority will use the transferred funds in any lawful manner as determined by the Governing Board of the Authority.

3. Annual Reimbursement of District Operating Expenses by the Authority.

- (a) During the Term of this Agreement, the District shall draw upon and expend its own funds for its Operating Expenses (as defined below) during each Fiscal Year (as also defined below). Within sixty (60) days of the end of each Fiscal Year, the District shall submit an invoice to the Authority stating the amount of its Operating Expenses for such prior Fiscal Year, and the Authority shall reimburse the District for its Operating Expenses from Authority funds. The District's annual invoice shall summarize the Operating Expenses incurred by the District during the prior Fiscal Year. The Authority shall pay to the District the total amount of Operating Expenses stated in the invoice within thirty (30) days of its receipt by the Authority.
- (b) For purposes of this Agreement, the term "**Fiscal Year**" means the period commencing on July 1 of each year and terminating on the next succeeding June 30, or any other annual accounting period prescribed by law for irrigation districts in the State of California.
- (c) For purposes of this Agreement, the term "**Operating Expenses**" means the reasonable and necessary costs spent or incurred by the District for its operations as a California irrigation district. Operating Expenses shall be included in the District's Annual Operating Budget and shall include, but not be limited to, the maintenance, repair, and operations of any District property; administrative costs of the District; compensation of District employees and officers; overhead; insurance; taxes (if any); expenses and fees of auditors, accountants, attorneys, engineers or other contractors or consultants; and all other reasonable and necessary administrative costs, charges, fees, and liabilities.
- (d) For purposes of this Agreement, the term "**Annual Operating Budget**" is a document that includes all estimated Operating Expenses to be incurred by the District in a Fiscal Year. The Annual Operating Budget shall be adopted by the District and the Authority on or before June 30 preceding each Fiscal Year. The Annual Operating Budget may be amended upon approval of the District and the Authority.

4. Maintenance of Records. Books, documents, papers, accounting records, and other evidence pertaining to expenses incurred by the District shall be maintained by the District and made available at all reasonable times during the Term for four (4) years from the date of payment, or for such longer period as required by law or applicable records retention policy.

5. Insurance. During the Term of this Agreement, the Authority and the District shall maintain in full force and effect:

- (a) commercial general liability insurance or equivalent risk management coverage covering bodily injury, property damage, personal/advertising injury, premises/operations liability, products/completed operations liability, and contractual liability, in an amount no less than \$1,000,000 per occurrence/\$2,000,000 aggregate;
- (b) automobile liability insurance or equivalent risk management coverage in an amount no less than \$1,000,000 per occurrence for bodily injury and property damage; and
- (c) workers' compensation insurance or equivalent risk management coverage as required by law.

6. Indemnification. Each Party shall indemnify, defend, protect and hold harmless the other Party, their elected officials, officers, agents, employees, and authorized volunteers from and against any and all claims (including, without limitation, claims for bodily injury, death, or damage to property), demands, obligations, damages, actions, causes of action, suits, losses, judgments, fines, penalties, liabilities, costs and expenses (including, without limitation, attorneys' fees, disbursements and court costs) of every kind and nature whatsoever which may arise from or in any manner relate to any violation of the obligations of the indemnifying Party under this Agreement.

7. Termination of Agreement.

- (a) The Parties may terminate this Agreement at any time upon mutual written Agreement of the Parties.
- (b) If the JPA Agreement is terminated in accordance with its terms, this Agreement shall automatically terminate upon the effective date of the termination of the JPA Agreement.

8. Laws and Venue. This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of San Diego, State of California.

9. Notice. Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

AUTHORITY:

Sweetwater Authority
Attn: General Manager
P.O. Box 2328
Chula Vista, CA 91912

DISTRICT:

South Bay Irrigation District
Attn: Board President
505 Garrett Avenue
Chula Vista, CA 91910

and shall be effective upon receipt thereof.

10. Third Party Rights. Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the Authority and the District.

11. Entire Agreement. This Agreement represents the entire understanding of Authority and the District as to those matters contained herein, and supersedes and cancels any prior or contemporaneous oral or written understanding, promises or representations with respect to those matters covered hereunder. Each party acknowledges that no representations, inducements, promises or agreements have been made by any person which are not incorporated herein, and that any other agreements shall be void. This Agreement may not be modified or altered except in writing signed by both Parties hereto. This is an integrated Agreement.

12. Severability. The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the remaining provisions unenforceable, invalid, or illegal.

13. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the successors in interest, executors, administrators and assigns of each party to this Agreement. However, District shall not assign or transfer by operation of law or otherwise any or all of its rights, burdens, duties or obligations without the prior written consent of Authority. Any attempted assignment without such consent shall be invalid and void.

14. Non-Waiver. None of the provisions of this Agreement shall be considered waived by either party, unless such waiver is specifically specified in writing.

15. Headings. The headings in this Agreement are for convenience only and are not to be construed as modifying or explain the language in the section referred to.

IN WITNESS THEREOF, the Parties hereto have caused this Fund Transfer and Reimbursement Agreement between the Sweetwater Authority and South Bay Irrigation District to be executed and attested by their duly authorized officers as of the date first above written.

AUTHORITY:

SWEETWATER AUTHORITY, a
California joint powers agency

By: _____
Board Chair

DISTRICT:

SOUTH BAY IRRIGATION DISTRICT, a
California irrigation district

By: _____
Board President

ATTEST:

By: _____
Board Secretary

ATTEST:

By: _____
Board Secretary

APPROVED AS TO FORM:

By: _____
Authority General Counsel

APPROVED AS TO FORM:

By: _____
District General Counsel

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South Bay Irrigation District
Fiscal Year 2018-19
Budget Summary as of July 31, 2018

	Current Month Actual	YTD Actual	YTD Budget	YTD % Over/Under	Total Annual Budget	Amount Remaining	% Remaining
Interest Revenue	1,230.00	1,230.00	1,235.00	-0.4%	14,820.00	13,590.00	91.7%
Fund Transfer	(324.93)	(324.93)	547.00	-159.4%	15,630.00	15,954.93	102.1%
Revenues	905.07	905.07	1,782.00	-49.2%	30,450.00	29,544.93	97.0%
Sweetwater Authority Staff	340.00	340.00	340.00	0.0%	4,080.00	3,740.00	91.7%
Office Supplies & Expenses	0.00	0.00	10.00	100.0%	120.00	120.00	100.0%
Conferences & Meetings	5.89	5.89	20.00	-70.6%	240.00	234.11	97.6%
Membership Fees & Dues	2.29	2.29	5.00	-54.2%	170.00	167.71	98.7%
Directors Fees	500.00	500.00	500.00	0.0%	5,000.00	4,500.00	90.0%
Payroll Expense	38.25	38.25	35.00	9.3%	420.00	381.75	90.9%
Legal Fees & Costs	0.00	0.00	600.00	100.0%	7,200.00	7,200.00	100.0%
Audits & Accounting	0.00	0.00	250.00	100.0%	3,000.00	3,000.00	100.0%
Telephone	18.64	18.64	22.00	-15.3%	220.00	201.36	91.5%
Elections & Public Info	0.00	0.00	0.00	100.0%	10,000.00	10,000.00	100.0%
Operating Expenses	905.07	905.07	1,782.00	-49.2%	30,450.00	29,544.93	97.0%

South Bay Irrigation District
 Monthly Treasurer's Report
 Accounting of Receipts, Disbursements and Fund Balances
 July 31, 2018

	<u>General Fund</u>	<u>Investments</u>	<u>Totals</u>
Beginning Cash Balance	\$ 7,501.18	\$ 796,291.52	\$ 803,792.70
Investments	-	-	-
Receipts	-	-	-
Interest	-	3,778.45	3,778.45
Total Receipts	<u>\$ -</u>	<u>\$ 3,778.45</u>	<u>\$ 3,778.45</u>
Vendor Warrants	\$ 1,437.46	\$ -	\$ 1,437.46
Investments	\$ -	\$ -	\$ -
Bank Fees	-	-	-
Total Disbursements	<u>\$ 1,437.46</u>	<u>\$ -</u>	<u>\$ 1,437.46</u>
Ending Cash Balance	<u>\$ 6,063.72</u> ⁽¹⁾	<u>\$ 800,069.97</u> ⁽²⁾	<u>\$ 806,133.69</u>
Outstanding Items			
Deposits	\$ -	\$ -	\$ -
Vendor Warrants	-	-	-
Adjusted Fund Balances	<u>\$ 6,063.72</u>	<u>\$ 800,069.97</u>	<u>\$ 806,133.69</u>

⁽¹⁾ Bank of America statement balance

⁽²⁾ Managed pools, certificates of deposit, etc.

South Bay Irrigation District
Investment Portfolio
July 31, 2018

Issuer	Yield	Percent of Portfolio	Board Policy Limits	Total Portfolio	Book Value	Market Value
Bank of America Demand Deposit	0.000%	1%	5%	6,063.72	6,063.72	6,063.72
Local Agency Investment Fund	1.944%	99%	\$40 M	800,069.97	800,069.97	798,571.33
Total Investment Portfolio		100%		806,133.69	806,133.69	804,635.05

Average Weighted Yield = 1.929%

Weighted Average Days to Maturity = 1

All investments have been made in accordance with South Bay Irrigation District's Annual Statement of Investment Policy. This report provides documentation that South Bay Irrigation District has sufficient funds to meet the next 180 days cash obligations.



Rich Stevenson, Treasurer